



H&R REAL ESTATE INVESTMENT TRUST
Announces Upsizing of \$150MM Senior Unsecured Debenture Financing to \$175MM

TORONTO, March 29, 2012 - H&R Real Estate Investment Trust ("H&R") (TSX: HR.UN; HR.DB; HR.DB.B; HR.DB.C; HR.DB.D; HR.DB.E) is pleased to announce that as a result of strong investor demand for its public offering of Series F Debentures, announced earlier on March 29, 2012, the size of the offering has been increased by \$25 million to \$175 million. The offering is being underwritten, on a bought deal basis, by a syndicate of underwriters co-led by RBC Capital Markets and CIBC. The Series F Debentures will bear interest at a rate of 4.45% and will mature on March 2, 2020.

The net proceeds from the offering of the Series F Debentures will be utilized by the REIT to fund future property acquisitions and development, to repay outstanding indebtedness and for general trust purposes.

DBRS Limited has provided H&R with a provisional credit rating of BBB with a stable trend relating to the Series F Debentures. Closing is expected to occur on or about April 5, 2012.

The offering of the Series F Debentures is being made under H&R's existing short form base shelf prospectus dated March 31, 2011. The terms of the offering of the Series F Debentures will be described in a prospectus supplement to be filed with Canadian securities regulators.

Forward-looking Statements

Certain information in this news release contains forward-looking information within the meaning of applicable securities laws (also known as forward-looking statements) including, among others, statements relating to the objectives of the REIT and H&R Finance Trust, strategies to achieve those objectives, H&R's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts including, in particular, the terms and timing of the offering of the Series F Debentures. Forward-looking statements generally can be identified by words such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans", "project", "budget" or "continue" or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect H&R's current beliefs and are based on information currently available to management. These statements are not guarantees of future performance and are based on H&R's estimates and assumptions that are subject to risk and uncertainties, including those discussed in H&R's materials filed with the Canadian securities regulatory authorities from time to time, which could cause the actual results and performance of H&R to differ materially from the forward-looking statements contained in this news release. Those risks and uncertainties include, among other things, risks related to: prices and market value of securities of H&R; availability of cash for distributions; development and financing relating to The Bow development; restrictions pursuant to the terms of indebtedness; liquidity; credit risk and tenant concentration; interest rate and other debt related risk; tax risk; ability to access capital markets; dilution; lease rollover risk; construction risks; currency risk; unitholder liability; co-ownership interest in properties; competition for real property investments; environmental matters; reliance on one corporation for management of substantially all the REIT's properties; and changes in legislation and indebtedness of H&R. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking statements include that the general economy is stable; local real estate conditions are stable; interest rates are relatively stable; and equity and debt markets continue to provide access to capital. H&R cautions that this list of factors is not exhaustive. Although the forward-looking statements contained in this news release are based upon what H&R believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking

statements. All forward-looking statements in this news release are qualified by these cautionary statements. These forward-looking statements are made as of today, and H&R, except as required by applicable law, assumes no obligation to update or revise them to reflect new information or the occurrence of future events or circumstances.

Additional information regarding the REIT and H&R Finance Trust is available at www.hr-reit.com and on www.sedar.com. For more information, please contact Larry Froom, Chief Financial Officer, H&R Real Estate Investment Trust, 416-635-7520, or e-mail info@hr-reit.com.

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